



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 20 2010

Ernest J. Panasci
Cache Bank & Trust.
5613 DTC Parkway, Suite 970
Suite 970
Greenwood Village, Colorado 80111

RE: MUR 6296
Cache Bank & Trust

Dear Mr. Panasci:

On May 26, 2010, the Federal Election Commission notified Cache Bank & Trust of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On December 14, 2010, the Commission found, on the basis of the information in the complaint, and other available information, that there is no reason to believe Cache Bank & Trust violated 2 U.S.C. §§ 441a or 441b. Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). The Factual and Legal Analysis, which explains the Commission's finding, is enclosed for your information.

If you have any questions, please contact Elena Paoli, the attorney assigned to this matter at (202) 694-1548.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy Q. Lockett".

Roy Q. Lockett
Acting Assistant General Counsel

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Cache Bank and Trust **MUR: 6296**

I. GENERATION OF MATTER

 This matter was generated based by a complaint filed with the Federal Election Commission ("the Commission") by Charles R. Grice, Jr. *See* 2 U.S.C. § 437g(a)(1).

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Background

 This matter involves Kenneth R. Buck, the 2010 Republican candidate for Senate in Colorado. The complaint alleges that Cache Bank and Trust violated the Federal Election Campaign Act of 1971, as amended ("the Act"), by making an excessive contribution to Buck, which he then improperly loaned to Buck for Colorado and Kenneth Salazar, in his official capacity as treasurer ("Buck Committee" or the "Committee").

 On March 30, 2010, Buck loaned \$100,000 to his Committee, and the Committee disclosed the loan in its April 2010 Quarterly Report, Schedule C. The complaint alleges that the source of the \$100,000 was a \$120,000 bank loan from Cache Bank ~~based~~ on collateral – a townhouse – owned by Buck and his wife Perry Buck. Although the complaint does not specify how the loan in question violates the Act, it appears to allege that this transaction constituted an excessive or prohibited contribution from Cache Bank to Buck and the Committee because the alleged loan-to-collateral ratio represents 71.5% of the assessed value (\$167,852) of the townhouse. Complaint at 4.

1 According to Jerry Morgensen, a member of the board of Cache Bank and part owner,
2 bank employees confirmed that the loan to Buck in December 2008 was made through normal
3 procedures and approved by the loan committee.

4 Corporations are prohibited from making any federal political contributions. 2 U.S.C.
5 § 441b. The complaint did not attach any documents concerning the Cache Bank loan. Instead,
6 it attaches documents regarding ownership of the townhouse and what appears to be a
7 refinancing loan obtained by the Bucks in November 2009. According to Morgensen, the Bucks
8 obtained the Cache Bank loan in 2008 for the purpose of buying out his brothers' interest in the
9 deceased mother's home, though neither respondent knows for sure how the proceeds from the
10 loan were used.

11 **B. Analysis**

12 The complainant alleges that Cache Bank was the source of the \$100,000 that Buck
13 loaned to his Committee. Based on the available information, it appears that complainant was
14 simply incorrect about the source of the money used to fund Buck's loan to his Committee. As
15 discussed above, the Cache Bank loan cited by complainant was unrelated to Buck's candidacy
16 and repaid in full in November 2009.

17 Therefore, the Commission has determined to find no reason to believe that Cache Bank
18 and Trust violated 2 U.S.C. §§ 441a or 441b by making an excessive or prohibited corporate
19 contribution.